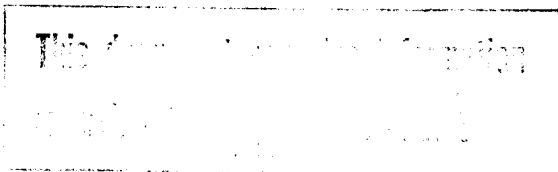


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COR - 0082
Copy 1 of 3

4 August 1958

MEMORANDUM FOR: Deputy Director (Support)

SUBJECT : Advance Payment Increase to Lockheed Aircraft Corporation, Contract No. RT-100

1. Under Determinations and Findings, dated 23 May 1958, an advance payment to the subject Contractor of \$100,000.00 was approved.

2. Subsequently, the Contractor has requested an increase of this advance by \$200,000.00 or a total payment of \$300,000.00. This increase is necessary for the reason that the rate of expenditure by the Contractor's subcontractors is greater than originally anticipated and Contractor must reimburse the subcontractors prior to seeking payment from the Government. In addition, several of the subcontractors incurred substantial costs in anticipation of their contract with the prime and upon receipt of these contracts the subcontractor billed the prime for these costs. The total of this billing is in excess of the previous advance of \$100,000.00 and Contractor has temporarily withheld payment due to lack of funds.

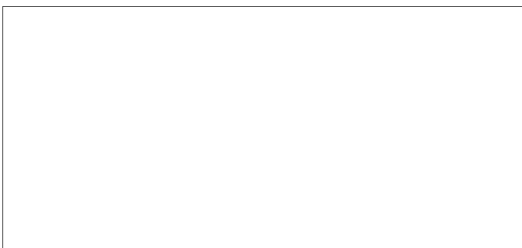
3. Accordingly, it is recommended that the attached Determinations and Findings be approved for a total advance payment of \$300,000.00.



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RICHARD M. BISSELL, Jr.
Special Assistant to the Director
for Planning and Development

JM:aml (31 July 1958)
1 - Contract File
2 - Finance
3 - Chrono (COR)



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This document contains information

relating to the national defense

COR - 0088

Copy 2 of 3

CENTRAL INTELLIGENCE AGENCY

DETERMINATIONS AND FINDINGS

AUTHORIZATION FOR ADVANCE PAYMENTS

The Central Intelligence Agency has entered into Contract No. NT-100 with the Lockheed Aircraft Corporation of Burbank, California at a total cost estimated to be approximately [redacted] and under such contract proposes to make advance payments. I hereby find and determine:

- (a) That the Lockheed Aircraft Corporation cannot finance performance of Contract No. NT-100 with its own resources and cannot secure adequate financing through private sources without breaking security restrictions imposed on the Contractor by the Agency;
- (b) That the Contractor shall not be required to pay interest on such advance payments for the reason that such payment would not be required were it not for reasons of security;
- (c) That no other Contractor which did not require advance payments in order to furnish the desired supplies and services was available;
- (d) That adequate funds are available for this procurement;
- (e) That the proposed provision for advance payments is in the interest of national defense, and is necessary and appropriate in order to secure the required supplies and services under the contract;
- (f) That the amount of the proposed advance is predicated upon use of the Contractor's own working capital to the extent possible and is based upon an analysis of the cash flow required under the contract.

Upon the determination and findings set forth above, as prescribed by the Armed Services Procurement Regulation and as authorized by the Central Intelligence Agency Act of 1949, Public Law 110, 81st Congress, I hereby recommend the making of advance payments in connection with this procurement, subject to the following provisions:

- (a) That such advance payments do not exceed \$300,000.00 at any one time unliquidated.

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(b) That interest on such advance payments be waived by the Government.

(c) That such contract shall provide for a lien in favor of the Government upon the supplies contracted for and upon material and other Government property acquired for performance of the contract to the extent that the Government does not obtain title thereto under other terms of the contract.

APPROVED:

Deputy Director (Support) ✓

RECOMMENDED BY:

General Counsel

/s/
Special Assistant to the Director
for Planning and Development

JM:aml (31 July 1958)

2 - Contract file ✓
2 - Finance ✓
3 - Chrono (CON)

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